

**VETERANS MEMORIAL DISTRICT  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/11/10

**VETERANS MEMORIAL DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**As of and for the Year Ended December 31, 2009**

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**VETERANS MEMORIAL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2009*

The following narrative is presented to facilitate a better understanding of the year-end financial position and results of operations for the year ended December 31, 2009. When read in conjunction with the notes to the financial statements, this section's financial highlights, overview and analysis should assist the reader to gain a more complete knowledge of the financial performance.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in the independent auditor's report, located immediately following this MD&A, that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

**Government-Wide Financial Statements (GWFS)**

One of the most important questions asked about finances is, "Is the Veterans Memorial District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities (GWFS) report information as a whole and about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These GWFS report the net assets and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, to assess the overall health of the Veterans Memorial District.

**VETERANS MEMORIAL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2009*

***Fund Financial Statements (FFS)***

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws. The Lafourche Parish Veterans Memorial District utilizes mainly the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The FFS provide a detailed short-term view of the general government operations and the basic services provided. FFS information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (GWFS) and governmental funds (FFS) in reconciliation at the bottom of the fund financial statements.

***FINANCIAL HIGHLIGHTS***

Our financial statements provide these insights into the results of this year's initial year of operations:

- Assets exceeded liabilities by \$ 671,361 (net assets).
- Total net assets are comprised of the following:
  - (1) Invested in capital assets of \$471,200 including equipment, net of accumulated depreciation and net of related debt.
  - (2) Restricted for debt service of \$41,964.
  - (3) Unrestricted net assets of \$158,197 representing the balance available to fund programs and activities for veterans.
- Total spending for all governmental activities was \$129,469 for the year with no programs revenues in the current year.
- The general revenues used to offset the deficit for program expenses totaled \$351,781 for the year.
- The governmental funds reported total ending fund balance of \$205,003, of which \$163,039 was considered unreserved and \$41,964 was reserved for debt service.
- Total revenue reported for all governmental funds was \$350,689 and expenditures were \$262,314, including \$93,836 of capital expenditures and \$90,853 of debt service expenditures. This resulted in an excess of revenues over expenditures for the year of \$89,467.

**VETERANS MEMORIAL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2009*

**FINANCIAL ANALYSIS AS A WHOLE (GWFS)**

The Statements of Net Assets includes all of the assets and liabilities and provides information about the nature and amount of investments in resources and the obligations to creditors. This statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the District.

To begin our analysis, a condensed summary of the Statement of Net Assets is presented in the following table:

Condensed Statement of Net Assets

	2009	2008	Dollar Change	Total Percent Change
Current and Other Assets	\$ 604,923	\$ 494,274	\$ 110,649	22.4%
Capital Assets	886,200	820,925	65,275	8.0%
<b>Total Assets</b>	<b>1,491,123</b>	<b>1,315,199</b>	<b>175,924</b>	<b>13.4%</b>
Current Liabilities	404,762	384,454	20,308	5.3%
Long Term Liabilities	415,000	490,000	(75,000)	-15.3%
<b>Total Liabilities</b>	<b>819,762</b>	<b>874,454</b>	<b>(54,692)</b>	<b>-6.3%</b>
Invested in Capital Assets	471,200	330,925	140,275	42.4%
Restricted	41,964	41,979	(15)	0.0%
Unrestricted	158,197	67,841	90,356	133.2%
<b>Total Net Assets</b>	<b>\$ 671,361</b>	<b>\$ 440,745</b>	<b>\$ 230,616</b>	<b>52.3%</b>

Approximately \$471,200 of the net assets reflects the investment in capital assets (monument and water fountain cost, land improvements and equipment) less any related outstanding debt used to acquire those assets. Another \$41,964 of the net assets is restricted for debt service.

**VETERANS MEMORIAL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2009*

Net assets increased by \$230,616 during 2009. The table following provides a summary of the changes in net assets:

Condensed Statement of Activities

	2009	2008	Dollar Change	Total Percent Change
<b>Program Expenses:</b>				
Current	\$ 76,749	\$ 85,288	\$ (8,539)	-10.0%
Depreciation and Interest	52,720	57,114	(4,394)	-7.7%
<b>Total program expenses</b>	<u>129,469</u>	<u>142,402</u>	<u>(12,933)</u>	<u>-9.1%</u>
General revenues	351,781	310,760	41,021	13.2%
<b>Change in Net Assets</b>	<u>222,312</u>	<u>168,358</u>	<u>53,950</u>	<u>32.0%</u>
<b>Net Assets:</b>				
Beginning of the year	440,746	272,388	168,358	61.8%
Adjustment for Depreciation	8,306	-	8,306	#DIV/0!
<b>End of the year</b>	<u>\$ 671,364</u>	<u>\$ 440,746</u>	<u>\$ 230,614</u>	<u>52.3%</u>

**FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)**

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the financing requirement. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending.

The governmental funds reported combined ending fund balances of \$205,003. Certain balances in the total are *reserved* to indicate that it is not available for new spending due to commitments to payment of debt service of \$41,964

The General Fund ended the year with a fund balance of \$163,039, all considered unreserved. During the year the General Fund recorded \$350,689 in ad valorem tax revenues and expended \$77,625 in current expenditures, the largest amount of that was for transportation costs (\$54,714). Capital outlay purchases of \$93,836 were made for property improvements (such as a landscaping), office equipment (such as a computer, printer and file cabinets), and monument improvements (such as a flag poles and granite for wall). The General Fund also transferred out \$90,838 to the Debt Service Fund, resulting in a net increase in fund balance of \$89,482.

The Debt Service Fund ended the year with a fund balance of \$41,964 – all considered reserved for the repayment of debt. After the transfer in from the General fund and payments of principal of \$78,000 and interest and fiscal charges of \$15,853, the decrease in net assets was \$15.

**VETERANS MEMORIAL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2009*

**GENERAL FUND BUDGETARY HIGHLIGHTS**

There were no amendments to the original budget for the General Fund during the year.

**CAPITAL ASSETS**

The investment in capital assets, net of accumulated depreciation, for governmental activities was as follows:

	2009	2008
Land	\$ 230,000	\$ -
Land Improvements	88,625	74,142
Equipment	74,606	74,606
Monument Cost	504,924	657,539
Water Fountain	73,267	73,075
Office Supplies	1,777	-
Total Cost	973,199	879,362
Accumulated Depreciation	86,999	58,438
Net Capital Assets	\$ 886,200	\$ 820,924
<hr/>		
Depreciation Expense	\$ 36,866	\$ 39,541

This year there was \$93,836 of additions and depreciation expense of \$36,866. More detailed information about the capital assets is presented in Note 6 to the basic financial statements.

**LONG-TERM DEBT**

At year-end, \$415,000 in general obligations bonds was outstanding. Payments of \$75,000 of principal and \$15,838 in interest payments were made during the year. More detailed information about long-term liabilities is presented in Note 7 to the financial statements.

**VETERANS MEMORIAL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
*For the Year Ended December 31, 2009*

**NEXT YEAR'S BUDGET**

Highlights of next year's adopted budget follows:

<b>Beginning Fund Balance</b>	<b>\$ 187,237</b>
<b>Projected Revenue</b>	<b>320,000</b>
<b>Projected Expenditures:</b>	
Current	(166,200)
Capital outlay	(240,000)
Debt Service	(92,000)
Total Expenditures	<u>(498,200)</u>
<b>Ending Fund Balance</b>	<b><u>\$ 9,037</u></b>

**CONTACTING FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Veterans Memorial District finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Mr. Larry Raymond, Treasurer  
14532 West Main St.  
Cut Off, LA 70345  
985-632-4317



## **FINANCIAL SECTION**



# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

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To the Board of Commissioners  
Veterans Memorial District  
Larose, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the Veterans Memorial District as of and for the year ended December 31, 2009, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Veterans Memorial District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Veterans Memorial District as of December 31, 2009, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2010, on our consideration of the Veterans Memorial District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Veterans Memorial District  
Larose, Louisiana  
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Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Schedules on be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Stagni & Company*

Thibodaux, Louisiana  
June 9, 2010



# **VETERANS MEMORIAL DISTRICT**

## **Statement of Net Assets**

December 31, 2009

### **ASSETS**

Cash	\$	214,279
Receivables:		
Taxes receivable		72,998
Due from Tax Collector		317,186
Deposits		460
Capital Assets, Net of Accumulated Depreciation		886,200
<b>TOTAL ASSETS</b>		<u><u>1,491,123</u></u>

### **LIABILITIES**

Accounts Payable		9,735
Deferred revenue		390,185
Interest payable		4,842
		<u>404,762</u>
Non-current Liabilities		
Due in one year		75,000
Due in more than one year		340,000
<b>TOTAL LIABILITIES</b>		<u><u>819,762</u></u>

### **NET ASSETS**

Invested in capital assets, net of related debt		471,200
Restricted for debt service		41,964
Unrestricted		158,197
<b>TOTAL NET ASSETS</b>	\$	<u><u>671,361</u></u>

See notes to financial statements.

**VETERANS MEMORIAL DISTRICT****Statement of Activities**

For the Year Ended December 30, 2009

	<b>Program Revenues:</b>			<b>Net (Expenses)/ Revenue</b>
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	
<b>Governmental Activities</b>				
Professional Fees	\$ 2,150			(\$2,150)
Secretary Cost	1,650	-	-	(1,650)
Transportation Cost	54,714			(54,714)
Repairs and Maintenance	526			(526)
Insurance	5,512			(5,512)
Advertisement	538			(538)
Supplies	3,061			(3,061)
Taxes and Licenses	9,474			(9,474)
Interest paid on debt	14,978			(14,978)
Depreciation	36,866			(36,866)
<b>Total Governmental Activities</b>	<b>\$ 129,469</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(129,469)</b>

**General Revenues:**

Ad Valorem Taxes	350,689
Proceeds from Sale of Assets	1,092
<b>Total General Revenues</b>	<b>351,781</b>
<b>Change in Net Assets</b>	<b>222,312</b>

**Net Assets:**

Beginning	440,746
Prior Period Adjustment for Depreciation on Reclass of Land	8,306
<b>Ending</b>	<b>\$ 671,364</b>

See notes to financial statements.

**VETERANS MEMORIAL DISTRICT**  
**Balance Sheet - Governmental Funds**  
December 31, 2009

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash	\$ 172,315	\$ 41,964	\$ 214,279
Receivables:			
Taxes receivable	72,998		72,998
Due from tax collector	317,186		317,186
Deposits	460		460
	<u>\$ 562,959</u>	<u>\$ 41,964</u>	<u>\$ 604,923</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 9,735		\$ 9,735
Deferred Revenue	390,185		390,185
<b>TOTAL LIABILITIES</b>	<u>399,920</u>		<u>399,920</u>
<b>FUND EQUITY</b>			
Fund Balances:			
Reserved for debt service	-	\$ 41,964	41,964
Unreserved - Undesignated	163,039		163,039
<b>TOTAL FUND EQUITY</b>	<u>163,039</u>	<u>41,964</u>	<u>205,003</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 562,959</u>	<u>\$ 41,964</u>	
<b>Total fund balances - governmental funds</b>			
Amounts reported for governmental activities in the Statement of Net Assets are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:			886,200
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:			
Accrued interest payable			(4,842)
Bonds payable - current		(75,000)	
Bonds payable - long term		<u>(340,000)</u>	
			<u>(415,000)</u>
<b>Net assets of governmental activities</b>			<u>\$ 671,361</u>

See notes to financial statements.

**VETERANS MEMORIAL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
For the Year Ended December 31, 2009

	General Fund	Debt Service Fund	Totals
<b>REVENUES</b>			
Ad Valorem Taxes	\$ 350,689	\$ -	\$ 350,689
<b>Total Revenues</b>	<u>350,689</u>	<u>-</u>	<u>350,689</u>
<b>EXPENDITURES</b>			
Culture & Recreation - current:			
Professional Fees	2,150		2,150
Secretary Cost	1,650	-	1,650
Transportation Cost	54,714	-	54,714
Repairs and Maintenance	526	-	526
Insurance	5,512	-	5,512
Advertisement	538	-	538
Supplies	3,061	-	3,061
Utilities	9,474	-	9,474
	<u>77,625</u>	<u>-</u>	<u>77,625</u>
Capital Outlay	93,836	-	93,836
Debt Service:			
Principal	-	75,000	75,000
Interest and fiscal charges	-	15,853	15,853
<b>Total Debt Service</b>	<u>-</u>	<u>90,853</u>	<u>90,853</u>
<b>Total Expenditures</b>	<u>171,461</u>	<u>90,853</u>	<u>262,314</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Sale of Asset	1,092	-	1,092
Operating transfer in (out)	<u>(90,838)</u>	<u>90,838</u>	<u>-</u>
	<u>(89,746)</u>	<u>90,838</u>	<u>1,092</u>
<b>NET CHANGE IN FUND BALANCE</b>	89,482	(15)	89,467
<b>FUND BALANCE</b>			
Beginning of year	<u>73,557</u>	<u>41,979</u>	<u>115,536</u>
End of year	<u>\$163,039</u>	<u>\$41,964</u>	<u>\$205,003</u>

See notes to financial statements.

**VETERANS MEMORIAL DISTRICT**

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2009

**Net change in fund balances - governmental funds** **\$ 89,467**

Amounts reported for *governmental activities* in the Statement of Activities  
(government-wide financial statements) are different because:

Governmental funds report capital outlays as expenditures. However, in the  
Statement of Activities the cost of those assets are allocated over their useful  
lives and reported as depreciation expense.

Capital outlay	\$ 93,836	
Depreciation expense	<u>(36,866)</u>	
Amount by which depreciation exceeded capital outlays		56,970

Other expenses reported in the Statement of Activities that do not require  
current financial resources:

(Increase) Decrease in Interest payable	875
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For governmental funds, the incurrence of long-term debt provides current  
financial resources and the repayment of long-term obligations consumes  
current financial resources. Neither transaction has any effect on net assets.

Principal paid on long term debt	<u>75,000</u>
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**Change in net assets of governmental activities** **\$ 222,312**

See notes to financial statements.



## **VETERANS MEMORIAL DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2009

The Veterans' Memorial District of Ward 10 of Lafourche Parish was created by the Legislature of Louisiana in its Regular Session, 2005. Provided by R.S. 33:9356 approved the governing authority shall consist of a Board of 9 Commissioners who are electors domiciled in Ward 10 of Lafourche Parish, and a minimum of six members shall be honorable discharged veterans' posts in Ward 10, one member each selected and appointed by the Lafourche Parish President, State Senator representing District 20, and State Representative representing District 54 serving different terms. A board member may be removed for cause by the Lafourche Parish Council.

The Board has the powers and duties of a veterans' memorial district governing body as provided by law, except the approval of the Lafourche Parish Council must first be obtained prior to any of the following actions by the Board:

- Adoption of annual budget
- Purchase, sale, or encumbrance of immovable property
- Submitting for voter approval a proposed renewal or increase in ad valorem taxes
- Any other matter or action as determined by ordinance adopted by the Lafourche Parish Council.

### **Note 1                      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A.      Basis of Presentation**

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

#### **B.      Reporting Entity**

Under Governmental Accounting and Financial Standards Section 2100, the financial reporting entity consists of the primary government and its component units. As the governing authority of the parish, the Lafourche Parish Council is considered to be the primary government for financial reporting purposes for the Parish of Lafourche.

Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. The criteria used in determining whether financial accountability exists include:

## **VETERANS MEMORIAL DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2009

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **Reporting Entity (Continued)**

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the council to impose its will on that organization and/or;
  - b. The potential for the organization to provide specific financial benefits to or imposes specific financial burdens on the council. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.
2. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the fact that the Parish Council appoints the voting majority of the Board of Commissioners of the District, the District is considered a component unit of the Lafourche Parish Council, if applying the criteria above.

#### **C. Fund Accounting**

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

#### **Governmental Funds**

Governmental funds account for all or most of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The following are the governmental funds:

## **VETERANS MEMORIAL DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2009

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **C.      Fund Accounting (Continued)**

General Fund - The General Fund is used to account for all financial resources and expenditures except those that are required to be accounted for in another fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of general long-term obligation principal, interest and related costs.

#### **D.      Measurement Focus / Basis of Accounting**

##### *Fund Financial Statements (FFS)*

The amounts reflected in fund financial statements, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The court considers all revenues available if they are collected within 60 days after the fiscal year end.

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues** – Ad valorem taxes and the related state revenue sharing are recorded as revenue in the period for which levied, thus the 2008 property taxes which were levied to finance the 2009 budget are recognized as revenue in 2009. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable or available until actually received.

## **VETERANS MEMORIAL DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2009

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **D.    Measurement Focus / Basis of Accounting (Continued)**

**Expenditures** – The major expenditures current supplies, insurance and audit and accounting fees are recorded when payable or when the fees are incurred.

#### *Government-Wide Financial Statements (GWFS)*

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

**Program Revenues** - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

#### **E.    Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **F.    Operating Budgets**

As required by Louisiana Revised Statutes, The Board of Commissioners adopted a budget for the District. The Board, as allowed by state law, does not obtain public participation in the budget process. The Board must approve any amendment involving the transfer of monies from one function to another, or increases in expenditures. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

## **VETERANS MEMORIAL DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2009

### **Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **G. Cash**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

#### **H. Receivables**

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

#### **I. Capital Assets**

Capital assets are recorded at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Capital assets are recorded in the GWFS. All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

<b>CATEGORY</b>	<b>LIFE</b>
BUILDINGS	25 YEARS
TRUCKS	15 YEARS
EQUIPMENT	5 YEARS

#### **J. Restricted Net Assets**

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

1. externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
2. imposed by law through constitutional provisions or enabling legislation.

## **VETERANS MEMORIAL DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2009

### **Note 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

#### **K.      Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

### **Note 2      DEPOSITS AND INVESTMENTS**

#### ***Deposits:***

Demand (deposits, interest bearing demand deposits and certificates of deposit) are recorded at cost, which approximates fair value. At December 31, 2009, the reported amount of deposits was \$214,279 and the bank balance was \$215,114.

Custodial credit risk is the risk that in an event of a bank failure, the district's deposits may not be returned to it. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposits insurance or the pledge of securities owned by the fiscal agent bank. The market values of the pledged securities plus the federal deposit insurance (FDIC) must at all time equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. All of these deposits are secured by FDIC from custodial credit risk. The collateral must be held at the pledging bank's trust department or other bank, acting as the pledging bank's agent, in the District's name.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the entity that the fiscal agent has failed to pay deposited funds upon demand.

## **VETERANS MEMORIAL DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2009

### **Note 3                      AD VALOREM TAXES**

Property taxes are levied each December 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law.

A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2008. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June.

Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2009 (taxes levied in 2008) was \$0.98 per \$1,000 of assessed valuation on property within Lafourche Parish Veterans Memorial District for the purpose of constructing and maintaining a monument and the retirement of general long term debt, principal, interest, and related costs for the District.

The tax rate for the year that will be ending December 31, 2010 (taxes levied in 2009) was \$0.98 per \$1,000 of assessed valuation on property within Lafourche Parish. These are recognized as deferred revenue in the current year.

### **Note 4                      COMPENSATION OF BOARD MEMBERS**

No compensation was paid to Board Members during the year ended December 31, 2009.

### **Note 5                      DUE FROM OTHER GOVERNMENTAL UNITS**

The amounts due from other governmental units at December 31, 2009 consisted of ad valorem tax collections due from the Lafourche Parish Tax Collector to be remitted to the District in January 2010.

**VETERANS MEMORIAL DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2009

**Note 6 CAPITAL ASSETS**

A schedule of changes in capital assets follows:

<b>Governmental activities</b>	<b>Balance 12/31/08</b>	<b>Additions</b>	<b>Adjustment</b>	<b>Deletions</b>	<b>Balance 12/31/09</b>
Land	\$-	\$-	\$230,000		\$230,000
Monument	657,539	77,385	(230,000)		504,924
Water Fountain	73,075	192			73,267
Improvements	74,143	14,482			88,625
Equipment	74,606				74,606
Office Equipment	-	1,777			1,777
<b>Total Assets</b>	<b>\$879,363</b>	<b>\$93,836</b>			<b>\$973,199</b>

Less accumulated depreciation:

Monument	\$22,493	\$16,246	\$(8,304)	\$30,435
Water Fountain	3,958	3,667		7,625
Improvements	4,576	3,817		8,393
Equipment	27,410	12,993		40,403
Office Equipment	-	143		143
<b>Totals</b>	<b>\$58,437</b>	<b>\$36,866</b>	<b>\$(8,304)</b>	<b>\$86,999</b>
<b>Capital assets, net</b>	<b>\$820,926</b>			<b>\$886,200</b>

Depreciation expense for the year was \$36,866 recorded as governmental activities.

An adjustment was made of \$230,000 during the year to reclassify the value of the land from a depreciable asset to a non-depreciable asset. Depreciation expense of \$8,304 was removed and adjusted for prior depreciation that was taken on the land.

**Note 7 LONG TERM DEBT**

The District has outstanding a Certificate of Indebtedness, Series 2004 dated May 1, 2004 bearing interest at a rate of 3.5% per annum payable through March 1, 2014.



**VETERANS MEMORIAL DISTRICT**

Notes to the Financial Statements  
For the Year Ended December 31, 2009

**Note 7                      LONG TERM DEBT (Continued)**

A summary of changes in long-term obligations of the District is as follows:

	Payable December 31, 2008	Additions	Deletions	Payable December 31, 2009
COI, Series 2004	\$490,000		\$75,000	\$415,000
TOTALS	\$490,000		\$75,000	\$415,000

The annual requirements, including interest, to amortize all long-term debt outstanding at December 31, 2009 are as follows:

MATURITY	Principal	Interest	TOTAL
2010	\$75,000	\$14,525	\$89,525
2011	80,000	11,900	91,900
2012	85,000	9,100	94,100
2013	85,000	6,125	91,125
2014	90,000	3,150	93,150
Totals	\$415,000	\$44,800	\$459,800

**Note 8                      RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. To protect against these risks, the District has purchased commercial or other insurance for the losses to which it is exposed.

**REQUIRED SUPPLEMENTAL**  
**INFORMATION**

# **VETERANS MEMORIAL DISTRICT**

## **Budget Comparison Schedule**

For the Year Ended December 31, 2009

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance - Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final no amendments</b>		
<b>REVENUES:</b>				
Ad Valorem Taxes	\$ 301,000	\$ 301,000	\$ 350,689	\$ 49,689
<b>Total Revenues</b>	<u>301,000</u>	<u>301,000</u>	<u>350,689</u>	<u>49,689</u>
<b>EXPENDITURES:</b>				
Current:				
Professional Fees	-	-	2,150	(2,150)
Secretary Cost	1,800	1,800	1,650	150
Transportation Cost	70,000	70,000	54,714	15,286
Repairs and Maintenance	16,000	16,000	526	15,474
Insurance	7,000	7,000	5,512	1,488
Advertisement	-	-	538	(538)
Supplies	1,000	1,000	3,061	(2,061)
Utilities	10,200	10,200	9,474	726
<b>Total Current</b>	<u>106,000</u>	<u>106,000</u>	<u>77,625</u>	<u>28,375</u>
Capital Outlay	88,000	88,000	93,836	(5,836)
Debt Service	92,500	92,500	90,853	1,647
<b>Total Expenditures</b>	<u>286,500</u>	<u>286,500</u>	<u>262,314</u>	<u>24,186</u>
Operating transfer in (out)	-	-	-	-
Donations	-	-	1,092	1,092
	-	-	1,092	1,092
<b>NET CHANGE IN FUND BALANCE</b>	<b>14,500</b>	<b>14,500</b>	<b>89,467</b>	<b>26,595</b>
<b>FUND BALANCE:</b>				
Beginning of year	83,711	83,711	115,536	31,825
End of year	<u>\$98,211</u>	<u>\$98,211</u>	<u>\$205,003</u>	<u>\$58,420</u>

**REPORTS REQUIRED BY GOVERNMENT**  
**AUDITING STANDARDS**

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# STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners  
Veterans Memorial District  
Larose, Louisiana

We have audited the financial statements of the governmental activities and each major fund of the Veterans Memorial District as of and for the year ended December 31, 2009, which collectively comprise the basic financial statements and have issued our report thereon dated June 9, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Veterans Memorial District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

To the Board of Commissioners  
Veterans Memorial District  
Larose, Louisiana  
Page 2

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Veterans Memorial District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Commissioners, management and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Stagni & Company*

Thibodaux, Louisiana  
June 9, 2010



## **VETERANS MEMORIAL DISTRICT**

Schedule of Current Year Findings  
For the Year Ended December 31, 2009

We have audited the financial statements of the governmental activities and each major fund of the Veterans Memorial District, as of and for the year ended December 31, 2009, which collectively comprise the basic financial statements and have issued our report thereon dated June 9, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Our audit of the financial statements as of December 31, 2009 resulted in an unqualified opinion.

### **Section I Summary of Auditor's Reports**

#### **a. Report on Internal Control and Compliance Material to the Financial Statements**

##### **Internal Control**

Material Weaknesses **No**

Significant Deficiencies **No**

##### **Compliance**

Compliance Material to Financial Statements **No**

#### **b. Federal Awards -**

**NOT APPLICABLE**

##### **Internal Control**

Material Weaknesses ☐ Yes ☐ No

Significant Deficiencies ☐ Yes ☐ No

Type of Opinion On Compliance Unqualified ☐ Qualified ☐

For Major Programs Disclaimer ☐ Adverse ☐

Are there findings required to be reported in accordance with Circular A-133, Section .510(a)?

☐ Yes ☐ No

#### **c. Identification of Major Programs:**

**NOT APPLICABLE**

### **Section II Financial Statement Findings**

**NONE**

### **Section III Federal Award Findings and Questioned Costs**

**NOT APPLICABLE**

